

Frequently Asked Questions

Small Business Express Program

Programs

1. Is the Revolving Loan a line of credit for general working capital? **No, the revolving loan program is a loan program for specific eligible uses with a focus on retaining existing full-time jobs. Funds are generally disbursed in one payment.**
2. How do I know whether to apply for a loan or a grant? **It depends on the Company's circumstances: (1) The Revolving Loan Program offers loans to help support companies to retain existing full-time employees. (2) The Job Creation Incentive Loan Program offers loans to help support companies growth, including the creation of new full-time jobs and the retention of existing full-time jobs. This program allows for consideration of some loan forgiveness for job creation. (3) The Matching Grant program offers grants for job creation. The program requires a dollar for dollar match from the Company.**
3. Can a grant and loan request be made through DECD at the same time? **Yes, you may apply for both a Matching Grant and a Job Creation Incentive Loan at the same time and on one application form.**

Application & Process

1. Can I apply if I've been in business over 12 months but don't have three years of financials yet? **Yes, provide the financials that you have (audited financials or signed tax returns), including the most recent profit and loss statement and balance sheet.**
2. Does the Project Financing Plan and Budget form need to be filled out to reflect my entire company budget? **No, the purpose of the form is to identify how the company proposes to use the DECD funds and if appropriate, also the grant match funds (non-DECD funds).**
3. Can DECD funds be used toward the purchase or lease of machinery and equipment? **Funds can be used toward the purchase of machinery and equipment, but not toward the lease of machinery and equipment.**
4. Can DECD funds be used toward salaries? **Yes, up to 50% of the requested DECD funds can be used for salaries for new full-time jobs. However, the Company needs to be in a position to support the jobs once the DECD funds are depleted.**
5. Can DECD funds be used to refinance existing debt? **Generally no, although credit card debt in the Company name and accounts payable could be considered if it is not more than 25% of the request.**
6. Can DECD funds be used to purchase a business? **No.**

7. What sources will qualify for the grant matching funds? Eligible sources include Company funds located in a bank account (not accounts receivable), lines of credit, federal funds and approved loans.
8. Where do I send my application? Send the complete application package by email to Michelle.Peters@ct.gov or by U.S. Mail to Michelle Peters, DECD, 505 Hudson Street Hartford, CT 06106. In order to expedite the review of your application, please do not send partial application packages.
9. Is there an application fee? No, there is no application fee, but if DECD were to approve the application, then applicant would be responsible for DECD's legal costs to prepare the contract documents (assistance agreement). The applicant is required to pay the legal bill prior to the release of funds. These costs may vary based on the specific circumstances of the application, but are estimated at \$2,000-\$3,000.
10. How long does the process typically take? That depends and varies with each small business applicant's successful submission of all required information and the financial situation of the applicant. DECD's goal is 45 days from the point where a complete application package is received, but the timeframe could extend out to 60 or 90 days or more depending on the factors such as review issues and the applicant's responsiveness.

Payment

1. How are funds disbursed? Typically, the funds are disbursed in one payment. However, each project is reviewed case by case and may differ depending on variables that could impact each agreement. In some cases, funds could be arranged to be disbursed in phases.
2. Can I defer loan payments? Possibly—each project is reviewed on a case by case basis and the decision would be made based on the specific circumstances.

For More Information

1. Who do I contact for more information? Michelle Peters at 860-270-8052 or via email at Michelle.Peters@ct.gov.